

Progress Report RS-40

N.C.
Doc

North Carolina State Library
Raleigh

June 1961

A64
3:40
C.2



FARMERS and SOCIAL SECURITY in North Carolina

Agricultural Experiment Station
North Carolina State College
Raleigh, North Carolina

in cooperation with
Economic Research Service
United States Department of Agriculture

June 1961

Progress Report RS-40

IMPACT OF THE SOCIAL SECURITY OLD AGE RETIREMENT SYSTEM ON
AGRICULTURE AND RURAL LIFE IN EASTERN NORTH CAROLINA

By

William S. Folkman
Economic Research Service, USDA

and

C. Horace Hamilton
Department of Rural Sociology

Agricultural Experiment Station
North Carolina State College
Raleigh, North Carolina

in cooperation with

Economic Research Service
United States Department of Agriculture

Roy L. Lovvorn

Director of Research

Digitized by the Internet Archive
with funding from

University of Wisconsin-Madison Library

Chadwick Hall Foundation Collection

Digitized by the Internet Archive
in 2012 with funding from
LYRASIS members and Sloan Foundation

Digitized by the Internet Archive
with funding from

<http://www.archive.org/details/impactofsocialse00folk>

ACKNOWLEDGEMENTS

From the planning stage of the project through the preparation of the final manuscript, many persons have made significant contributions to this project.

The schedules were designed by the Project Leader, C. Horace Hamilton, with the advice and close collaboration of Roy Roberts of the Social Security Administration. The sample was designed and drawn by Jack Fleischer of the Department of Experimental Statistics. The field survey was conducted by the Survey Operations Unit, Research Triangle Institute, under the leadership of John Monroe and Nancy Campbell.

The tabulation plans were designed by the authors and the tabulations were done by the IBM Computing Laboratory of the Department of Experimental Statistics. At all stages of the project the authors had the helpful counsel of Louis J. Ducoff, Assistant Chief, Foreign Population and Rural Life Branch, Economic Research Service, United States Department of Agriculture, and Selz C. Mayo, Head of the Department of Rural Sociology, North Carolina State College.

This study was financed jointly by the United States Department of Agriculture, the Social Security Administration, and the North Carolina State College Agricultural Experiment Station.

TABLE OF CONTENTS

	Page
SUMMARY	1
Introduction	4
Purpose of the Study	5
Scope and Method of Study.	6
Characteristics of Farm Operators, Landlords and Beneficiaries.	7
Age.	7
Marital Status	8
Education.	8
Race	8
Net Worth.	8
Occupation	9
Tenure Status.	9
FARM OPERATORS' AND LANDLORDS OASI ELIGIBILITY AND PARTICIPATION.	12
Payment of Social Security Taxes on Farm Income.	12
Reasons for Nonpayment of Social Security Taxes.	13
Coverage Based on Farm Income.	13
Coverage Based on Landlords' "Materially Participating" in Production Activities of Tenant Farmers.	15
Coverage Based on Nonfarm Income	17
Selection of Alternative Methods of Computing Social Security Tax.	18
Social Security Status of Respondents 65 Years of Age or Over	19
IMPACT OF THE OASI PROGRAM ON FARMING ARRANGEMENTS	21
Tenure Status.	21
Farm Size and Allocation of Resources to Agriculture	23
Change in Farm Size.	23
Changes Over Time in Acres Farmed and Acres Cropped. . .	24
Changes Over Time in Livestock or Poultry Raised for Sale	26
Changes Over Time in Land Bought or Sold	26

TABLE OF CONTENTS
(Continued)

	Page
Rental Arrangements.	27
Record Keeping.	29
Level of Living.	29
FARMERS' RETIREMENT PLANS AND OASI	33
Operators and Landlords between 50 and 65 Years of Age	33
Age at Retirement.	33
Social Security Inspired Planned Changes in Farming or Tenure Arrangements	34
Change of Residence After Retirement.	35
Changes Expected After Retirement.	35
Operators and Landlords 65 Years of Age and Older.	37
Uses Made of Social Security Income.	39
STATE OF HEALTH AND HEALTH INSURANCE COVERAGE.	40
State of Health.	40
Health and Accident Insurance.	42
Income Protection Insurance.	44
ATTITUDE TOWARD THE OASI PROGRAM	45
APPENDIX	46
Level-of-Living Index.	46

LIST OF TABLES

Table		Page
1	Certain personal and economic characteristics of the farm operator, landlord, and beneficiary samples, percentage distribution	10
2	Percentage of farm operators, landlords, and beneficiaries farming in specified years who paid social security taxes on farm income for those years . . .	13
3	Reasons given by farm operators, landlords, and beneficiaries for not paying social security tax on 1958 farm income.	14
4	Proportion of farm operators and "materially participating" landlords whose gross and net farm incomes in 1958 made social security contribution unnecessary, optional, or obligatory	14
5	Percentage of landlords in farm operator, landlord, and beneficiary samples familiar with and using the "materially participating" provision of the social security regulations.	15
6	Extent to which landlords participate in production activities as reported by tenants in farm operator sample.	17
7	Social security tax paid on nonfarm income received .	18
8	Social security status of farmers and landlords 65 years of age or over.	20
9	Tenure changes of social security beneficiaries during the period from 1954 to 1959 (N=109) . . .	22
10	Land ownership and rental arrangements of farm operators, landlords, and beneficiaries by age. . .	23
11	Proportion of farm operator, landlord, and beneficiary samples reporting changes in acreage farmed, by age and year	25
12	Farm account records kept by farm operators, landlords, and beneficiaries by age	30
13	Level of living and possession of certain items by farm operators, landlords, and beneficiaries by age	31
14	Changes planned in farming activities or tenure arrangements for the purpose of qualifying for social security retirement benefits, farm operators and landlords between 50 and 65 years of age. . . .	34
15	Residence plans of farm operators and landlords 50 to 65 years of age after reaching 65	36

LIST OF TABLES
(Continued)

Table		Page
16	Working plans of farm operators and of landlords, 50 to 65 years of age, after reaching social security retirement age.	36
17	Plans farm operators and landlords, 50 to 65 years of age, have for their land when they begin to receive social security payments.	37
18	Changes in farming activities after qualifying for social security payments.	38
19	Uses made of social security income by beneficiaries. .	39
20	General state of health and confinement in hospital of farm operator, landlord and beneficiary samples, by age, percent reporting.	41
21	Partially or fully disabling illnesses or physical impairments of farm operator, landlord and beneficiary samples, by age, percent reporting.	41
22	Health insurance coverage of farm operator, landlord and beneficiary samples, by age	43
23	Reasons given by farm operator, landlord, and beneficiaries for not having health insurance, by age . .	43

SUMMARY

Self-employed farmers are in the seventh year of their Old Age and Survivors Insurance coverage. This report presents the results of interviews conducted in the Rocky Mount (North Carolina) Social Security District during the early summer of 1959. The purpose of the study is to determine the extent of participation of farm operators and landlords in the OASI program and to appraise the impact of the program upon farming arrangements, retirement plans, and so forth.

Each year since they became eligible, farm operators and landlords have shown a consistent increase in the proportion paying social security taxes. In 1959, at the time of the survey, approximately three-fourths were contributing. The most frequently mentioned reason for nonpayment was that income was too low to warrant it. However, a number said they did not participate because they didn't know they should, didn't know how, or just weren't interested.

In 1958, when 59 percent of the farm operator sample reported contributing, another 16 percent should have paid according to their gross and net income figures. On the same basis, payment was optional for an additional 14 percent.

About three-fifths of the landlords were familiar with the "material participation" provision and about three-fourths of these took advantage of the provision.

Almost one-third of the farm operator sample and one-fourth of the landlord sample reported having made social security contributions on nonfarm wages received by them.

Four out of five social security tax returns were prepared by someone outside of the family. Many did not know what method had been used to compute the amount of net earnings on which the tax was paid.

Two-thirds of the respondents 65 years of age or over in both the farm operator and landlord samples were social security beneficiaries.

Although some social security beneficiaries made significant changes in their farming arrangements after they became beneficiaries, few admitted making changes before becoming beneficiaries. Between 1954 and 1959 the proportion of beneficiaries who were "landlords only" increased from less

than one-third to almost one-half of the total. Sharecroppers were most apt to retire from farming upon becoming beneficiaries.

As high as 16 percent of the beneficiaries in one year reported a decrease in number of acres farmed. However, only 5 percent reported selling any land.

Record keeping has been encouraged by social security coverage. Record keeping is most common among the younger farmers and landlords; but beneficiaries who were still farming (in contrast to others of similar age) had a higher proportion keeping records than any except the youngest age group of landlords.

On the average, beneficiaries have a level of living equal to all but the younger landlords. One might conclude that in most instances social security benefits have played a significant part in making the maintenance of this level of living possible. However, it should be recognized that those farmers with the lowest levels of living may be expected to have had more difficulty meeting the requirements qualifying them for social security benefits.

Less than one-fifth of those between 50 and 65 years of age said that they ever intended to retire. Only 6 percent of the farm operators in this age category were planning changes in their farming operations for social security purposes. However, two-fifths indicated that they would either give up working or reduce the amount of work they did when they reached retirement age.

Farm owners expect to stay on their own farms after reaching 65 years of age, and sharecroppers and other tenants expect to remain at least in the same county in which they are now residing.

Only one-fifth of the farm operators and one-fourth of the landlords expected their income after retirement to be less than their present income.

Seventy percent of the beneficiaries stated that they first qualified for social security benefits in 1957 or 1958. One-fifth qualified in 1956, and only 7 percent qualified in the first half of 1959.

Less than one-seventh of the beneficiaries reported making any changes in their farming activities after qualifying for social security benefits. About one-half of those making changes rented out their farms. An additional one-fourth retired or quit farming.

Over three-fourths of the responses as to what use was made of social security income involved food, clothing and other necessities, paying off debts, or medical expenses. Almost three-fourths of the beneficiaries reported that they were in only fair or poor health at the time of the survey. The most frequently reported types of illness or physical impairment were diseases of the circulatory system and of the bones and organs of movement.

Almost three-fourths of the beneficiaries have no health insurance coverage. Of those that do have coverage of some sort, the average premium was \$76.06 per year.

Most of the respondents were aware that self-employed farm operators are now covered by social security. There was, however, little apparent awareness of, or appreciation for, the survivors and disability features of the program.

IMPACT OF THE SOCIAL SECURITY OLD AGE RETIREMENT SYSTEM
ON AGRICULTURE AND RURAL LIFE IN EASTERN NORTH CAROLINA

By

William S. Folkman* and C. Horace Hamilton**

Introduction

The 83rd Congress amended the Social Security Act in 1954 to extend Old Age and Survivors Insurance coverage to farm operators and their families on essentially the same basis as had been provided previously for self-employed nonfarm business men. These amendments also made it obligatory for farmers to pay self-employment taxes on their income from farming. Prior to these changes, studies conducted by the Agricultural Marketing Service of the U. S. Department of Agriculture in cooperation with the Agricultural Experiment Stations of Connecticut, Kentucky, Texas, and Wisconsin revealed that most farm operators in these states favored this legislation.

As a result of provisions in effect since 1950 for all covered individuals and groups, farm operators who became 65 years of age before July 1, 1954, needed only six quarters of coverage to qualify. (For most kinds of covered work, employees get one quarter of coverage for each calendar quarter in which they are paid \$50 or more in wages; farm workers acquire one quarter of coverage for each \$100 of cash wages paid within a year by their employers--up to four quarters per year. Self-employed persons receive four quarters of coverage for each year in which they report covered self-employment earnings.) As a consequence, in the first half of 1956 some farm operators began to receive benefit payments based solely on their farm self-employment earnings. However, later studies in Kentucky, Maine, and Iowa revealed that substantial proportions of farm operators were ineligible for participation because of low income while another

*Social scientist, Farm Population and Rural Life Branch, Economic and Statistical Analysis Division, Economic Research Service, United States Department of Agriculture.

**Professor, Department of Rural Sociology, North Carolina Agricultural Experiment Station.

smaller group, although eligible, were not participating because of lack of knowledge concerning their status under the Social Security Act.

Purpose of the Study

This study represents a cooperative undertaking by the Agricultural Marketing Service (Economic Research Service) of the U. S. Department of Agriculture, the Social Security Administration of the U. S. Department of Health, Education and Welfare, and the North Carolina Agricultural Experiment Station. Begun in the spring of 1959, it was designed to determine the characteristics of farm operators, farm landlords, and beneficiaries (qualified on the basis of their farm self-employment income) in the survey area, their relationship to or extent of participation in the Old Age and Survivors Insurance program, and the factors associated with the types of relationships reported.

The study will serve as a guide for agricultural extension and other governmental programs such as those conducted by the Bureau of Old Age and Survivors Insurance, seeking to acquaint farm operators and farm landlords with their obligations and benefits available under the extended OASI program. It will also provide data which will be helpful in estimating future changes in the number of persons receiving old age assistance. It can also be used to appraise changes in levels of living of retired farm operators or surviving dependents of farm operators and in assessing changes in rental arrangements on farms. In addition, the study can indicate the influence that OASI coverage is having on migration from the farms, on changes in the size of farms, and on the allocation of resources to agricultural production.

Specifically, the objectives of the study are:

1. To determine the proportions and characteristics of farm operators and farm landlords in the survey area eligible for OASI coverage as a result of the 1954 and 1956 amendments to the Social Security Act; to ascertain, for those eligible, the degree of participation in the OASI program, and to determine the factors associated with such participation.

2. To appraise the impact of the OASI program: (a) on systems of farming, land tenure, rental arrangements, farm size and allocation of resources to agricultural production; (b) on farmers' arrangements and

plans for retirement in terms of savings, employment and residence; (c) on the movement of population to or from the land; and (d) on the level of living of farm operators and farm landlords in post retirement years.

3. To determine the attitudes of farm operators and farm landlords towards the OASI program and its operation.

4. To determine the extent to which farmers, landlords, and OASI beneficiaries have recently had major illnesses and accidents requiring hospitalization and the extent to which they are protected by health and accident insurance.

~~and~~ ~~background information concerning the area, its people, and their economic activities~~ Scope and Method of Study

The area contained in the Rocky Mount District of the Social Security Administration was selected for this study. This district includes the following counties: Bertie, Edgecombe, Greene, Halifax, Hertford, Martin, Nash, Northampton, Pitt, and Wilson.

The district falls completely within, and covers the bulk of, the Central and North Central Coastal Plain type of farming areas. Farm tenancy is high in these two areas in comparison with the rest of the state. Soils in the district are chiefly sandy loams with friable sandy loam to moderately firm sandy clay loam subsoils. In general, they are well drained and are especially well suited to the production of bright leaf tobacco, peanuts, and cotton, and to the various grain and forage crops found in the area. In the North Central Coastal Plain the predominant farm products are: corn, peanuts, hay, cotton, tobacco, soybeans and hogs. In the Central Coastal Plain they are corn, tobacco, cotton, hay, soybeans, small grains, and peanuts.*

Interviews were conducted with three distinct samples of the farm-related population of the Rocky Mount District. The first sample was drawn by means of the area sampling method** from all farm operators with

*The above descriptions are from Farming Opportunities in North Carolina, N. C. Agricultural Extension Circular No. 355 (revised), November 1957. Italics indicate important cash crops or livestock.

**Sampling procedures and area sample maps were developed by the Institute of Statistics, North Carolina State College.

residences in the open-country area of the ten counties. Operators residing in cities, towns, and villages (both rural and urban) were not included. Salaried farm managers were also excluded. However, some of the farm operators included also have nonfarm occupations and some are landlords or beneficiaries as well as farm operators. This sample is, therefore, a representative cross section of the entire open-country-farm-operator population of the Rocky Mount District.

The second sample was composed of all landlords of the tenants, share-croppers, or part owners included in the first sample. Excluded were landlords residing outside of the ten-county area. Landlords classified as estates, businesses, and corporations were also excluded. The landlord sample was later modified to adjust for overrepresentation of those with large numbers of tenants.

The third sample represented all OASDI beneficiaries within the district who qualified for benefits by virtue of their previous farm earnings. Spouses of such beneficiaries were not included even though they may also have been receiving social security retirement benefits. The selection of the sample was made on a systematic basis with a random start from the card file of beneficiaries in the district office.

The interviewing was conducted under contract by the Statistics Research Division of the Research Triangle Institute during late May and June, 1959.

Characteristics of Farm Operators, Landlords and Beneficiaries

Some of the personal and economic characteristics of the respondents in the three samples are presented below:

Age

In the farm operator sample, which, as was mentioned above, essentially represents a cross section of the agriculturally employed rural-farm population of the district, there are approximately one-third of the respondents under 40 years of age and one in fifteen are 65 years of age or over. In 1954, according to the United States Agricultural Census, 34.3 percent of the farm operators of the 10 counties were under 35 years of age, as compared with 21.8 percent of the sample. The 1954 Agricultural

Census showed 9.1 percent 65 or more years of age as compared with 7.1 percent of the sample. The reduction of tobacco acreage, resulting in a decrease in number of sharecroppers, very likely accounts for the difference between the Census and the sample with regard to the percentage of farm operators under 35. On the other hand, the difference in percentage of farm operators 65 years of age or older could have been due to the social security program which made retirement possible for farm operators in 1956 after the Census was taken.

The landlord sample represents an older population more nearly like that of the beneficiary sample. Three beneficiaries under 65 years of age are women who are eligible for social security retirement benefits at 62 years of age.

Marital Status

Reflecting the more advanced ages of the landlord and beneficiary samples, there is a large proportion widowed in these two samples.

Education

The beneficiaries have a low level of educational achievement, characteristic of the more advanced ages in this country. Almost one in five in the beneficiary sample has no formal education at all. In spite of a rather high average age, the landlords have a high level of educational achievement. This, no doubt, reflects their high socioeconomic status. More than two-thirds of the farm operator and beneficiary samples have less than an eighth grade education.

Race

Almost two-fifths of the farm operators are nonwhite. A similar proportion of the beneficiaries is also nonwhite, which would indicate that Negro farmers are participating in the social security program to the same extent as the white population of the area. By and large, landlords are white.

Net Worth

Approximately one-half (51 percent) of the farm operators have a net worth under \$1,000. A comparable figure for the landlords is 4 percent and for the beneficiaries, 20 percent. The percentages of net worth of \$10,000 or more for the three samples are 19, 45 and 31 respectively.

Occupation

Very few of the farm-operator sample listed anything other than farming as their main occupation. In contrast, only half of the landlords listed farming as their main occupation. The retired or disabled categories accounted for 15 percent of the landlords and 35 percent of the beneficiaries.

Nearly one-third of the landlords reported a secondary occupation. This was about double the percentage of farm operators reporting another occupation. Very few of the beneficiaries have more than one occupation.

Tenure Status

Over two-fifths of the respondents in the farm operator sample are sharecroppers, with "other tenants" representing the next largest category. Persons in the "landlord only" category were excluded by definition from this sample. In the beneficiary sample, almost one-half of the respondents are landlords only, while the proportion of sharecroppers and other tenants together is less than 10 percent of the total.

Census showed 9.1 percent 65 or more years of age as compared with 7.1 percent of the sample. The reduction of tobacco acreage, resulting in a decrease in number of sharecroppers, very likely accounts for the difference between the Census and the sample with regard to the percentage of farm operators under 35. On the other hand, the difference in percentage of farm operators 65 years of age or older could have been due to the social security program which made retirement possible for farm operators in 1956 after the Census was taken.

The landlord sample represents an older population more nearly like that of the beneficiary sample. Three beneficiaries under 65 years of age are women who are eligible for social security retirement benefits at 62 years of age.

Marital Status

Reflecting the more advanced ages of the landlord and beneficiary samples, there is a large proportion widowed in these two samples.

Education

The beneficiaries have a low level of educational achievement, characteristic of the more advanced ages in this country. Almost one in five in the beneficiary sample has no formal education at all. In spite of a rather high average age, the landlords have a high level of educational achievement. This, no doubt, reflects their high socioeconomic status. More than two-thirds of the farm operator and beneficiary samples have less than an eighth grade education.

Race

Almost two-fifths of the farm operators are nonwhite. A similar proportion of the beneficiaries is also nonwhite, which would indicate that Negro farmers are participating in the social security program to the same extent as the white population of the area. By and large, landlords are white.

Net Worth

Approximately one-half (51 percent) of the farm operators have a net worth under \$1,000. A comparable figure for the landlords is 4 percent and for the beneficiaries, 20 percent. The percentages of net worth of \$10,000 or more for the three samples are 19, 45 and 31 respectively.

Occupation

Very few of the farm-operator sample listed anything other than farming as their main occupation. In contrast, only half of the landlords listed farming as their main occupation. The retired or disabled categories accounted for 15 percent of the landlords and 35 percent of the beneficiaries.

Nearly one-third of the landlords reported a secondary occupation. This was about double the percentage of farm operators reporting another occupation. Very few of the beneficiaries have more than one occupation.

Tenure Status

Over two-fifths of the respondents in the farm operator sample are sharecroppers, with "other tenants" representing the next largest category. Persons in the "landlord only" category were excluded by definition from this sample. In the beneficiary sample, almost one-half of the respondents are landlords only, while the proportion of sharecroppers and other tenants together is less than 10 percent of the total.

Table 1. Certain personal and economic characteristics of the farm operator, landlord, and beneficiary samples, percentage distribution

Characteristic	Farm operator sample (N=294)	Landlord sample (N=102)	Beneficiary sample (N=112)
	Percent	Percent	Percent
Age			
Under 35 years	21.8	3.9	0.0
35-49	39.8	18.6	0.0
50-64	31.3	40.2	2.7
65-71	4.1	16.7	47.3
72 and over	2.7	19.6	50.0
Not reported	0.3	1.0	0.0
Total	100.0	100.0	100.0
Mean age--years (Ungrouped data)	46.2	59.3	72.2
Marital status			
Single, never married	4.4	1.0	3.6
Married, living with spouse	89.8	66.7	63.4
Married, not living with spouse	2.0	1.0	2.7
Legally separated	0.0	0.0	0.0
Divorced	0.3	0.0	0.0
Widowed	3.4	31.4	30.4
Total	99.9	100.1	100.1
Education			
None	3.7	3.9	18.8
1-7 grades	63.3	33.3	49.1
8-11 grades	23.1	36.3	19.6
12 (high school graduate)	5.4	5.9	0.0
1-3 years college	1.7	9.8	3.6
College graduate	1.4	7.9	3.6
Not reported	1.4	2.9	5.4
Total	100.0	100.0	100.1
Mean grades completed	6.4	8.7	4.9
Color			
White	60.5	92.2	59.8
Nonwhite	38.8	6.9	40.2
Not reported	0.7	1.0	0.0
Total	100.0	100.1	100.0

(Continued)

Table 1 (continued)

Characteristic	Farm operator sample (N=294)	Landlord sample (N=102)	Beneficiary sample (N=112)
	<u>Percent</u>	<u>Percent</u>	<u>Percent</u>
Net worth			
Debts greater than assets	15.3	0.0	0.9
0-\$999	35.7	3.9	18.8
1,000-4,999	17.6	8.8	25.0
5,000-9,999	5.4	8.8	5.4
10,000-24,999	11.2	22.5	14.3
25,000-49,999	5.4	8.8	12.5
50,000 or more	2.0	13.7	4.5
Don't know	6.8	31.4	17.0
Not reported	0.3	2.0	1.8
Total	99.7	99.9	100.2
Main occupation			
Farming	96.9	49.0	45.5
Farm laborer	0.0	0.0	2.7
Retired	0.0	13.7	30.4
Housewife	0.3	7.8	11.6
Disabled	0.0	1.0	4.5
White collar	1.7	16.7	3.6
Blue collar	1.0	11.8	0.0
Not reported	0.0	0.0	1.8
Total	99.9	100.0	100.1
Proportion reporting secondary occupation	15.6	32.4	4.5
Tenure status, 1959			
Landlord only	0.0	71.6	48.2
Landlord and operator	13.3	28.4	16.1
Full-owner operator	16.3	0.0	9.8
Part-owner operator	7.1	0.0	1.8
Sharecropper	42.9	0.0	4.5
Other tenant	19.4	0.0	4.5
Other	1.0	0.0	15.2
Total	100.0	100.0	100.1

(Percentages)

FARM OPERATORS' AND LANDLORDS' OASI ELIGIBILITY

AND PARTICIPATION

Payment of Social Security Taxes on Farm Income

The social security program is compulsory--not voluntary. Not all farmers, apparently, are as yet aware of this. The law applies to farmers as it does to nearly all people gainfully employed or self-employed in civilian occupations. However, unpredictable conditions which may cause earnings to fluctuate widely from year to year are peculiar to farming as an occupation. To make allowances for this, the law provides the self-employed farmer ("participating" farm landlords are also included) with alternative methods of figuring his net earnings from farming. A farmer who has no other self-employed earnings does not gain social security credit for his farm earnings, after 1956, if his actual net earnings are less than \$400 while his gross is under \$600. When the gross farm income is over \$1,800 and the net is over \$1,200, the farmer is taxed on his actual net profit. Between these two levels there are certain optional methods of computation from which the farmer may choose, depending on whether he wishes to maximize or minimize his reportable farm income. (See footnotes to Table 4 for the alternatives possible for various income levels.)

At the time of the survey (1959), approximately three-fourths of the respondents in all three samples who were farming at the time stated that they had paid (or expected to pay) social security taxes on their farm income that year (Table 2). The pattern for previous years reveals considerable difference, however. In 1955, the first year farmers were required to pay on their self-employment farm earnings, more than two-thirds of the beneficiary sample paid social security taxes. This rapidly built up to a peak in 1957 when nine in ten of them were paying. It then dropped sharply to the current proportion. In contrast, the farm operator and landlord samples have shown a rather consistent rise in the proportion paying these taxes. The farm operators have lagged somewhat behind the landlords in this respect, however. Inasmuch as the response concerning 1959 represented at that time an expression of what they expected to do rather than what had been done, as was the case with previous years, it is possible that the

a difference between expectation and actualization rather than such a significant increase in proportion of respondents paying taxes.

Table 2. Percentage of farm operators, landlords, and beneficiaries farming in specified years who paid social security taxes on farm income for those years

Year	Farm operator sample	Landlord sample	Beneficiary sample
	Percent	Percent	Percent
1959	71.1	75.8	73.7
1958	59.4	69.5	81.2
1957	54.8	67.7	91.5
1956	48.7	66.7	89.7
1955	42.2	53.3	68.8

Reasons for Nonpayment of Social Security Taxes

The most frequently mentioned reason for nonpayment of social security tax was that income was too low to warrant payment (Table 3). For the farm operator sample, most of the other reasons given betrayed a lack of understanding of or appreciation for the social security program. In contrast to this seemingly disinterested attitude, only one respondent gave a reason which might be considered active disapproval of the program. And this was more in the nature of a criticism of the administration of the Act rather than opposition to the idea itself. His comment was: "It's not fair. Too many people are drawing that are not supposed to."

Coverage Based on Farm Income

In contrast to the 59 percent of the respondents in the farm operator sample who reported having paid social security taxes on their farm income in 1958 (see above), there were 75 percent who should have paid according to the gross and net income figures they supplied. An additional 14 percent had incomes which made it optional as to whether or not they should have paid any tax. Table 4 shows the proportions falling in the various income requirement categories of the regular and optional methods of reporting farm earnings. (The optional methods are specified in the footnotes to Table 4.)

Table 3. Reasons given by farm operators, landlords, and beneficiaries for not paying social security tax on 1958 farm income

Reason	Farm operator sample (N = 111)	Landlord sample (N = 29)	Beneficiary sample (N = 18)*
	Percent	Percent	Percent
Income too low	39.6	31.0	38.9
Didn't know how	24.3	6.9	0.0
Didn't know he could or should	16.2	6.9	0.0
Just not interested	8.1	0.0	0.0
Limit paid in nonfarm work	4.5	10.3	0.0
Level of income made payment optional	1.8	0.0	0.0
Nonparticipating landlord	0.0	24.1	16.7
Receiving social security payments	0.0	3.4	16.7
Other reasons	4.5	6.9	11.1
Don't know or no response	0.9	10.3	16.7
Total	99.9	99.8	100.1

* N = number actually farming in 1958.

Table 4. Proportion of farm operators and "materially participating" landlords whose gross and net farm incomes in 1958 made social security contribution unnecessary, optional, or obligatory

Farm income in 1958	Farm operator	Materially participating	
	sample (N = 294)	landlords in landlord sample (N = 47)	
	Percent	Percent	
Under \$600	Under \$400 ¹	3.4	0.0
Under \$600	\$400 - 599 ²	0.0	0.0
\$600-1,800	Under \$400 ³	8.2	2.1
\$600-1,800	\$400-1,800 ⁴	8.5	10.6
Over \$1,800	Under \$400 ⁵	6.1	6.4
Over \$1,800	\$400-1,200 ⁶	23.8	10.6
Over \$1,800	\$1,200 and over ⁷	42.9	42.6
Unknown or incomplete		5.4	19.1
Does not apply (not farming)		1.7	8.5
Total	100.0	99.9	

¹No income to be reported.

²May report actual net profit or nothing.

³May report two-thirds gross or nothing.

⁴Must report but may option actual net profit or two-thirds of gross.

⁵May report \$1,200 or nothing.

⁶Must report but may option actual net profit or \$1,200.

⁷Must report actual net profit.

Coverage Based on Landlords' "Materially Participating" in Production Activities of Tenant Farmers

When self-employed farmers were first brought under social security, a farm owner who leased his land to someone else or who arranged with someone else to produce crops or livestock on his land for a share of the crop was not regarded as receiving earnings creditable for social security. This was true even though he may have taken an active part in the farming activities on that land. The income received, like rental income from other sources, did not count toward social security. Since 1955, however, farm rental income has counted provided the landlord establishes that he "materially participates" in the production or management of the production of farm commodities on his land.* Rental income of landlords who do not "materially participate" still does not count.

Approximately three out of five of the respondents in the landlord sample said that they were familiar with the social security regulations which permit a landlord to use his rental income as a basis for social security coverage provided he "materially participates" (Table 5). A higher proportion of the landlords in the beneficiary and farm operator samples were familiar with this provision, four out of five and three out of four respectively.

Table 5. Percentage of landlords in farm operator, landlord, and beneficiary samples familiar with and using the "materially participating" provision of the social security regulations

Familiarity with and use of provision	Farm operator sample (N = 54)	Landlord sample (N = 102)	Beneficiary sample (N = 73)
	Percent	Percent	Percent
Familiar with provision	75.9	60.7	80.8
Used the provision in 1958	57.4	46.1	69.9
Used the provision in 1957	55.6	47.0	69.9
Used the provision in 1956	48.1	46.1	71.2

* The qualifications for "material participation" are described later in this section.

Approximately three-fourths of the landlords in the farm operator and landlord samples who were familiar with the provision took advantage of it. However, 86 percent of the beneficiary sample's landlords who were familiar with it reported that they had qualified as "materially participating" landlords. One might have expected that after having qualified the beneficiaries would have changed their status to that of "nonparticipating" landlord in order to reduce their taxable income. This does not seem to have occurred to any great extent, however.

The determination of whether or not a landlord "materially participates" in the production activities of the rented farm, at least in some cases, is not a clear-cut, simple determination. The Social Security Administration publications appear to allow some discretionary powers to the administrators. The following general guides may be used for determining whether a farm landlord is materially participating. The decision is affirmative if he has an arrangement calling for his participation (this may be oral, but must be agreed to by the tenant) and if he meets the requirements in one of the tests below:

Test No. 1

Do any three of the following:

Advance, pay or stand good for at least half the direct costs of producing the crop.

Furnish at least half the tools, equipment, and livestock used in producing the crop.

Advise and consult with the tenant periodically.

Inspect the production activities periodically.

Test No. 2

Regularly and frequently make or take an important part in making management decisions substantially contributing to or affecting the success of the enterprise.

Test No. 3

Work 100 hours or more spread over a period of 5 weeks or more in activities connected with producing the crop.

Test No. 4

Do things which, considered in their total effect, show that he is materially and significantly involved in the production of the farm commodities. Such situations as well as any cases that

are otherwise doubtful may be submitted to the nearest district office of the Social Security Administration or the District Director of Internal Revenue for advice.*

The data available from this study do not permit making a decision concerning a particular landlord, but the contents of Table 6 give some indication of the extent to which they are meeting some of the requirements for material participation. According to the reports of the tenants, no more than half of the landlords participate in any one of the production activities required for such participation. It would seem, therefore, that there is disagreement between some tenants and their landlords as to whether or not the landlords are materially participating.

Table 6. Extent to which landlords participate in production activities as reported by tenants in farm operator sample

Item	Proportion of landlords furnishing items (N = 264)	Percent
Contributes one-half or more of the fertilizer		50.9
Contributes one-third or more of the power and machinery		34.1
Contributes one-half or more of the gasoline		26.1
Takes an actual part in planning, financing, directing, and supervising the production activities		45.5

Coverage Based on Nonfarm Income

Income from nonfarm sources plays an important part in affecting the social security eligibility of farmers. Almost one-third of the farm operator sample and almost one-fourth of the landlord sample report having paid social security taxes on wages received by them. In addition, 18.6 percent of the landlord sample report having paid social security taxes on other self-employment income. However, as the beneficiary sample was composed entirely of older persons who had little or no opportunity for off-farm employment after the enactment of the Social Security Act in 1935, it

*Farm People and Social Security, Department of Health, Education, and Welfare, Social Security Administration, OASI-25f, September 1958, page 22.

is not surprising that the number reporting ever having paid social security taxes on self-employment income or wages received by them is very small (Table 7). In fact, one-fourth of them state that they have never had any nonfarm income.

Table 7. Social security tax paid on nonfarm income received

Tax paid	Farm operator sample (N = 294)	Landlord sample (N = 102)	Beneficiary sample (N = 112)
	Percent	Percent	Percent
Self-employment income	7.1	18.6	3.6
Wages	31.3	23.5	4.5
Self-employment and wages	0.7	2.0	0.0
None paid on either	38.1	39.2	50.9
Never had nonfarm income	16.0	12.7	25.9
Don't know	3.4	1.0	0.9
Not reported*	3.4	2.9	14.3
Total	100.0	99.9	100.1

*Question not asked of those not farming in 1958.

Selection of Alternative Method of Computing Social Security Tax

Very few of the respondents indicated that they (or their wives or other family members) had prepared their own social security tax returns. The great bulk of the returns, more than four out of five, were reported to have been prepared by someone outside of the family. Many of the respondents did not know whether the amount of farm income on which to compute the social security tax was determined by taking two-thirds of the gross income up to \$1,800 or by computing the actual net farm income. This decision had been made by the person preparing the return.**

For those who said they knew which method was used, about three of the farm operators used the net income method to each one using the gross

**It would have been interesting had the study secured some information about those who prepare income and social security tax returns for farmers for they appear to exercise considerable influence.

income method. The ratio for the landlord sample was about two to one, while for the beneficiary sample the proportions were about equal. Most of those reporting the net income method said they were obliged to because their net income was over \$1,200. For the remainder, those in the landlord and beneficiary samples were more apt to say they had used the net income method because it gave more social security credits, while those in the farm operator sample were more apt to say they used it because they did not have to pay so much tax that way.

The few giving reasons for use of the gross income method reported that it gave more social security credit, was easier to figure, or reduced the amount of tax due. The first reason was given by both farm operators and beneficiaries (presumably the latter represent those still seeking to qualify in 1958). The second reason was given by beneficiaries only and the third by farm operators only. No one in the landlord sample gave any reason for using the gross income method other than that it was a decision of the person preparing the return. This was, of course, the main reason given by persons in all three samples.

Social Security Status of Respondents 65 Years of Age or Over

A somewhat larger proportion of the farm operator sample 65 years of age or over had applied for social security retirement payments than was true of the landlord sample (Table 8). This may be principally due to the larger proportion of ineligible "nonmaterially participating" landlords in the latter sample. However, the proportion with claims approved was approximately the same for each sample. In both instances, it was about two-thirds of the total.

Two respondents in each of the two samples gave the following reason for failure to apply for social security retirement payments: "I didn't know I could." Other reasons mentioned at least once were: "Want to wait until age 72," "income too high to be eligible," "not enough credits but expect to qualify later," "nonparticipating landlord," and "widow, beneficiary from husband's claim."

The reasons given for a claim being disallowed were: "Couldn't prove my age," "evidence of 'material participation' not accepted," "not enough credits," and "incorrect age used in application."

Table 8. Social security status of farmers and landlords 65 years of age or over

Status	Farm operator sample (N = 21)	Landlord sample (N = 37)
	Percent	Percent
Never applied for retirement payments	19.0	24.3
Claim disallowed	9.5	8.1
Claim approved	66.7	64.9
Claim pending	4.8	2.7
Total	100.0	100.0

IMPACT OF OASI PROGRAM ON FARMING ARRANGEMENTS

The extension of social security coverage to the self-employed farm population brings a significant new factor into the farm management complex. It had been anticipated that this would encourage, or necessitate, a number of adjustments on the part of farm operators in order for them to reestablish some balance in their farming arrangements. Tenure and rental arrangements, farm size, acreage allocated to different crops, types of farm enterprises engaged in, and so forth, might be modified in various ways according to the age and tenure status of the individual operator. Those nearing retirement age might be expected to make such adjustments as would tend to bring their reportable income up to the maximum covered for the years remaining within which they may establish eligibility. Beneficiaries (under 72 years of age), however, might desire to keep their reportable income low in order to avoid having their benefits reduced. Some younger operators would, presumably, seek arrangements that would minimize their taxes.

Tenure Status

The data from this study tend to bear out the expectations noted above regarding tenure changes. In the period from 1954 to 1959, the proportion of social security beneficiaries who were "landlords only" increased from less than one-third to almost one-half of the total (Table 9). (Rent to "nonparticipating" landlords is not covered income.) The only other tenure category to increase was the residual one labeled "other." More detailed analysis revealed that, of the 24 full-owner operators and landlord-operators changing tenure status, 20 became landlords only, 2 rented out part of their land, one stopped renting, and one retired. Of the 16 sharecroppers and other tenants making changes during this period, 14 shifted to the "other" category. In all instances, save one, "other" meant that they had retired from farming. In the one exception, the individual shifted from sharecropper to day laborer. The changes made by the sharecroppers probably indicate that social security coverage enables them to discontinue strenuous labors which sore need would otherwise force them to perform. Sharecroppers (and other tenants) are, of

course, also affected by decisions of landlords to take over the operation of the farms in order to qualify for social security benefits.

Table 9. Tenure changes of social security beneficiaries during period from 1954 to 1959 (N = 109)

Year	Tenure class						
	Landlord only	Landlord and operator	Full owner operator	Part owner operator	Share- cropper	Other tenant	Other*
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
1954	30.3	27.5	17.4	1.8	14.7	5.5	2.8
1955	32.1	26.6	16.5	1.8	13.8	5.5	3.7
1956	33.9	25.7	15.6	1.8	13.8	5.5	3.7
1957	39.4	24.8	11.9	1.8	9.2	5.5	7.3
1958	43.1	19.3	12.8	1.8	5.5	5.5	11.9
1959	48.6	16.5	10.1	1.8	4.6	4.6	13.8

**"Other" represents primarily retired and nonfarm status.

The nonbeneficiary respondents of the same age group made no significant tenure changes during this period. In the lower age groups of the landlord sample, however, there was detected some increase in the "landlord only" category in 1959 over the previous years. These changes may, or may not, have been influenced by social security considerations. In the younger age group (under 50 years of age) of the farm operator sample, there was a decrease in the "other" classification and an increase in the "other tenant" category. "Other," in this instance, represented a nonfarm status.

In general, it would appear that social security encourages farm land owners to rent out their land and sharecroppers to retire from farming upon becoming beneficiaries.

It was pointed out in an earlier section that owner-operators (or former owner-operators) and landlords are overrepresented in the beneficiary sample, while sharecroppers (or former sharecroppers) are underrepresented. Part of this over- and underrepresentation is due to the above-mentioned shift of tenure status that has accompanied beneficiary status. However, it is apparent that a sizeable proportion of sharecroppers have not qualified

for social security benefits. In the main, this is probably due to insufficient covered income, but other factors, such as inadequate understanding of the program, must also contribute to their failure to participate.

Farm Size and Allocation of Resources to Agriculture

In some cases the data are not conclusive, but, in the main, they show that farm operators have made the expected adjustments in farm size and in allocation of resources in agriculture following the extension of social security coverage to them.

Change in Farm Size

The average number of acres owned by respondents owning any land varied considerably from one sample to another and from one age group to another (Table 10). In both the farm operator sample and the landlord sample the number of acres owned increased as age increased. This was also true for the number of acres operated. The average number of acres owned and the average number operated by social security beneficiaries was much lower than that for their corresponding age groups in the other two samples, however.

Table 10. Land ownership and rental arrangements of farm operators, landlords, and beneficiaries by age*

Land use	Farm operator sample			Landlord sample			Beneficiary sample	
	Age		65 or over	Age		65 or over	Age	
	Under 50	50-64		Under 50	50-64		65 or over	65 or over
Mean number of acres-----								
Acres owned	94.5	108.8	192.5	65.4	190.4	248.8	104.1	
Acres rented from others		51.6	69.9	77.7	133.6	197.5	155.0	54.5
Acres rented to others		84.7	80.7	76.6	66.2	126.4	191.9	82.0
Acres operated		64.8	83.8	125.6	65.4	203.5	234.0	64.1

*Acreage was computed from ungrouped data. Base in each instance was actual number reporting acreage in that particular category.

In general, as farm operators mature, they accumulate resources which enable them to increase their land holdings and farming operations. As was pointed out earlier, farmers nearing retirement age, especially, may be expected to attempt to maximize their income in various ways (including increasing farm size) in order to increase their expected retirement benefits. After qualifying, many probably would wish to decrease their holdings and activities and enter a retired or semiretired status. The limit of \$1,200 in covered earnings allowable without reduction in benefits for those under 72 would further encourage this. The data described above would seem to be consistent with these expectations.

Changes Over Time in Acres Farmed and Acres Cropped

Between 1956 and 1957 there was a marked change in the proportions of beneficiaries reporting a decrease in number of acres farmed by the respondent and his family (Table 11). From 5 percent reporting a decrease between 1954 and 1955 and 4 percent between 1955 and 1956, this percentage rose to 16 between 1956 and 1957 and declined to 12 percent between 1958 and 1959. During this period, the proportion of beneficiaries reporting an increase in acres farmed remained consistently low at between 2 and 3 percent.

Because of the sparsity of numbers in the corresponding age groups in the farm operator and landlord samples, comparisons are risky. However, this abrupt change observed among the beneficiaries does not show up in these samples. From this it might be concluded that social security coverage has influenced the changes made by the beneficiaries.

The younger age groups in the farm operator and the landlord samples reveal quite different behavior. In the farm operator sample, both of the age groups (under 50 and 50-64 years of age) show a consistent rise in the proportion reporting a decrease in acreage farmed during the five-year period while at the same time reporting a similarly consistent, but even greater rise in the proportion reporting an increase in acreage farmed.

The data on changes in acres cropped parallel very closely those for total acreage.

decreases in stock prices, general economic growth or decreases in economic activity has resulted. Real credit expansion or credit inflation didn't increase prices substantially without creating too much inflation, and inflation creates a slight shift in the balance of demand and supply of grain.

Table 11. Proportion of farm operator, landlord, and beneficiary samples reporting changes in acreage farmed, by age and year

Change	Farm operator sample			Landlord sample			Beneficiary sample	
	Age			Age			Age	
	Under 50 (N=180)	50-64 (N=93)	65 or over (N=8)	Under 50 (N=23)	50-64 (N=41)	65 or over (N=16)	65 or over (N=109)	Pct.
<u>Decrease in acreage farmed</u>								
Between 1958 & 1959	10.6	14.0	0.0	13.0	4.9	6.2	11.9	
Between 1957 & 1958	8.9	8.6	12.5	0.0	4.9	6.2	13.8	
Between 1956 & 1957	7.8	7.5	0.0	4.3	2.4	0.0	15.6	
Between 1955 & 1956	2.8	6.5	0.0	4.3	2.4	0.0	3.7	
Between 1954 & 1955	1.1	6.5	0.0	0.0	0.0	0.0	4.6	
<u>Increase in acreage farmed</u>								
Between 1958 & 1959	28.3	18.3	12.5	4.3	2.4	6.2	2.8	
Between 1957 & 1958	18.3	15.1	0.0	13.0	4.9	0.0	2.8	
Between 1956 & 1957	11.1	9.7	0.0	8.7	2.4	0.0	1.8	
Between 1955 & 1956	9.4	5.4	0.0	0.0	7.3	0.0	1.8	
Between 1954 & 1955	6.1	4.3	0.0	0.0	0.0	0.0	2.8	

Changes Over Time in Livestock or Poultry Raised for Sale

The number of respondents reporting livestock or poultry raised for sale was not large. Consequently, the proportions reporting changes in livestock numbers from 1954 to 1959 were considerably smaller than those reporting changes in acreages farmed or cropped. They did show essentially the same trends, however. For the most part, the changes reported were increases rather than decreases except for the beneficiaries. Six out of the seven changes reported by them were decreases.

Changes Over Time in Land Bought or Sold

The proportion of the respondents who reported buying or selling land during the period from 1954 to 1959 varied considerably from one sample to another and from one age group to another. Only 5 percent of the beneficiary sample reported such transactions, and all but one of these represented a sale of land. In the farm operator sample, those under 50 years of age were mostly buying and those between 50 and 65 years of age were mostly selling. In the landlord sample, the younger age group was found to be buying land while the 50 to 65 age group was nearly evenly divided between buying and selling. However, 13 percent of the younger age group and 24 percent of the middle age group in the landlord sample were involved in buying or selling operations in contrast to only 7 and 5 percent, respectively, in the farm operator sample.

Again the sparsity of numbers of nonbeneficiaries in the 65 and over age groups in the farm operator and landlord samples makes it difficult to make meaningful comparisons with the same age group who are social security beneficiaries. For what they are worth, however, the figures show a high proportion (25 percent in both samples in contrast to the 4.6 percent of the beneficiary sample) engaged in some buying and selling operations. In contrast to the beneficiaries, most of these were concerned with buying land.

Here again, although the influence of social security is not conclusively demonstrated, the changes are generally in the direction anticipated.

These figures indicate that there is a significant difference between the responses of the two groups. The differences are not statistically significant, but the results are interesting.

Rental Arrangements

There are a number of ways in which social security might be expected to affect rental arrangements. Landlords, before they reach 65 years of age, would presumably desire to "materially participate" in the production or management of production activities of their tenant farms in order to increase their covered income. Returns from a cash rental arrangement would not be taxable for social security purposes, while the returns from a sharecropper arrangement usually would be covered, for such a system provides more opportunity for the landlord to "materially participate." During this period a landlord may also wish to rent in more land or make other changes in order to increase his covered income. After he becomes a beneficiary, however, he, presumably, would want to make such changes as would minimize his covered earnings. Until he is 72 years of age, covered earnings in excess of \$1,200 during any one year reduces his social security benefits during that year.

Although the magnitude of the differences in some cases and the size of the sample in some of the age brackets make it risky to attach too much significance to the data, it does appear that some landlords do make some of these adjustments in their tenure arrangements.

The landlords who are also social security beneficiaries show a slight drop in the average number of sharecroppers on their land in 1958 and 1959 compared to the previous four years. During this entire period (1954 to 1959), they also show a small but steady increase from one year to the next in the average number of other tenants they have had. The number of landlords of the same age group who are not beneficiaries is small, but what data there are give no indication of similar changes. The younger landlords show greater variation from year to year in the average number of both sharecroppers and other tenants on their land, but there is no observable trend in the changes.

About two-fifths of the landlord beneficiaries reported a change since 1954 in the amount of farm land rented out. Almost three-fourths of these changes represented increases in land rented out. The other landlords of the same age group reported essentially the same changes. The reports concerning increases or decreases in the amount of land worked by the landlord and his family were essentially the reverse of

this. Nearly all of the changes reported by the older landlords, beneficiaries and nonbeneficiaries, were of decreases in the amount of land worked by themselves and their families.

Approximately one-fifth of the landlord beneficiaries reported a decrease since 1954 in the share of power and machinery and in the share of such operating supplies as fertilizer, seed, and insecticides furnished by them. The proportions reporting increases were only one-fourth and one-half as large, respectively.

More than one-fourth of the landlord beneficiaries reported decreases in the amount of time they gave to planning, managing, and production and marketing activities on tenant and sharecropper farms. A negligible number reported increases.

In all of these items dealing with rental arrangements, the proportion reporting no change increased rather markedly with age. This did not hold for the landlord beneficiaries, however. They had a rate of change greater than that of the 50 to 64 age group, although not as great as that of those under 50 years of age.

Seventy-five percent of the landlords in the farm operator sample reported having made some change, or changes, in their agreements with sharecroppers and tenants, but only 4 percent admitted that these changes had been made for the purpose of increasing their income for social security purposes. None of the 51 percent of the landlord sample reporting changes said that this was the reason for doing so. In contrast, 61 percent of the landlords in the beneficiary sample reported changes and about one-fourth of these reported they made them for this purpose. This might be interpreted to mean that landlords are quite unaware of the possibility of increasing their income for social security purposes through changes in their rental arrangements before they actually become beneficiaries. It is possible, however, that some landlords were reluctant to admit that they made these changes for this purpose because for some reason it apparently was viewed as, if not extralegal, at least somewhat unethical to have engaged in such action.

Record Keeping

Farm management specialists have been attempting for years to teach farmers the importance of keeping adequate records as an essential management tool. Generally their efforts have met with indifferent success. In recent years, however, income tax requirements have stimulated more and more farmers to keep at least a minimal set of records. And now it might be expected that the recent extension of social security benefits to self-employed farmers will have encouraged even further the keeping of such records. This study shows that this seems to have taken place to a considerable degree. Only one-sixth of the social security beneficiaries report keeping no written farm account records (Table 12). Although record keeping is generally more prevalent among the younger farmers and landlords, when those who are no longer farming are extracted, the proportion of the beneficiaries keeping records compares favorably with all but the lowest age category in the landlord sample.

Except for those who had rented their land out for cash or who had retired, farmers who had made changes in the number and kind of farm account records kept reported changes that would increase the accuracy or detail of their records. One of the most frequently mentioned reasons for making these changes was that they were done for social security purposes. No one in the landlord sample mentioned this reason, however. "For tax purposes" was mentioned as a reason by all groups reporting changes. "Business reasons" was the only other specific reason given. It was mentioned by some in the under 50 years of age category in the farm operator sample. None of the nonbeneficiaries over 65 years of age reported any changes.

Level of Living

In terms of the possession or use of certain goods and services that are related to the level of living of families, the social security beneficiaries compare favorably with most of the other groups. An index providing a measure of level of living shows that they rank at the same level as all but those in the two lower age categories of the landlord sample (Table 13). The range of scores indicates that farmers from a

*See Appendix for items used in determining index scores.

Table 12. Farm account records kept by farm operators, landlords and beneficiaries by age

Type of records	Farm operator sample			Landlord sample			Beneficiary sample	
	Age		(N=8)	Age		(N=16)	Age	
	Under 50 (N=180)	50-64 (N=93)		Under 50 (N=23)	50-64 (N=41)		65 or over (N=109)	
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.		Pct.
No records kept	27.8	30.1	37.5	4.3	17.1	50.0		16.5
Not farming in 1958	4.4	2.2	0.0	4.3	0.0	0.0		12.8
Records kept	67.8	67.7	62.5	91.3	82.9	50.0		70.6
Kind kept:								
1. Sales tickets and receipts	22.2	21.5	25.0	8.7	7.3	6.2		19.3
2. Cancelled checks	2.8	1.1	0.0	4.3	4.9	6.2		2.8
3. Combination of 1 and 2	18.9	20.4	12.5	43.5	31.7	12.5		17.4
4. Daily or farm record book	7.2	4.3	0.0	8.7	12.2	6.2		7.3
5. Combination of 1 and 4	2.2	3.2	0.0	0.0	4.9	0.0		5.5
6. Combination of 2 and 4	1.7	2.2	12.5	0.0	2.4	0.0		5.5
7. Combination of 1, 2 and 4	12.8	15.1	12.5	26.1	19.5	18.8		12.8
Total	100.0	100.0	100.0	99.9	100.0	100.0		99.9
Proportion reporting changes in record keeping since 1954	10.0	16.1	0.0	0.0	12.2	0.0		13.8

Table 13. Level of living and possession of certain items by farm operators, landlords, and beneficiaries by age

Items	Farm operator sample			Landlord sample			Beneficiary sample
	Age			Age			Age
	Under 50 (N=180)	50-64 (N=93)	65 or over (N=8)	Under 50 (N=23)	50-64 (N=41)	65 or over (N=16)	65 or over (N=109)
Level of living index, mean score	43.0	43.9	40.2	51.9	50.6	43.5	43.1
Condition of home (1 = very poor; 5 = excellent)	2.9	3.0	2.5	3.7	3.6	3.3	3.1
Persons per room	Percent reporting-----						
Less than 1.00	45.0	57.0	75.0	78.3	85.4	87.5	78.0
1.00 to 1.49	34.4	24.7	25.0	17.4	9.8	6.2	10.1
1.50 to 1.99	8.9	9.7	---	---	2.4	---	3.7
2.00 or more	11.7	7.5	---	---	---	---	6.4
No response	---	1.1	---	4.3	2.4	6.2	1.8
Total	99.9	100.0	100.0	100.0	100.0	99.9	100.0
Bathroom in house	25.6	30.1	25.0	82.6	80.5	37.5	37.6
Electric or gas range	71.1	69.9	50.0	100.0	97.6	75.0	67.0
Home freezer	48.4	47.3	25.0	65.2	58.5	25.0	38.5
Automatic washing machine	16.7	17.2	---	52.2	39.0	18.8	16.5
Television set	81.1	76.3	37.5	100.0	85.4	68.8	62.4
Telephone	17.2	19.4	25.0	60.9	68.3	37.5	26.6
Automobile and/or truck	88.3	80.6	87.5	100.0	92.7	56.2	53.2

wide range of socioeconomic levels are qualifying for some social security benefits, although, as was shown elsewhere, probably not in proportion to their prevalence in the population.

Some of the differences between landlords and others in the possession of certain specific items observable in the table no doubt reflect a difference between rural and urban levels of living as well as a probable difference in income. The farm operator sample was confined to the rural-farm population, but the landlord and beneficiary samples include some urban residents. For example, such items as indoor plumbing or telephones are commonly available even in small villages but are much less prevalent in open-country areas. On the other hand, some private means of transportation is almost a necessity in the open country, but may be a dispensable luxury in an urban area.

Landowner's family size is almost non-existent among the less affluent families and slightly more common among those in intermediate and higher income brackets. This coincides with existing data on family size and age at first marriage. The less affluent families tend to have more children and to marry at an earlier age than do the more affluent families.

Number of children per family

Landowner's family size is about the same among all income groups. The number of children per family tends to increase with increasing income. The highest percentage of families having four or more children is found among the highest income group.

The number of children per family tends to decrease with increasing income. The highest percentage of families having four or more children is found among the highest income group.

In industry the practice of compulsory retirement at a certain age has gained widespread acceptance by the workers and management. Although recently some have questioned its utility from the point of view of the well-being of both the individual "retiree" and the total economy, there seems to be little indication of any immediate diminution of the practice. Our concern here, however, is with the prevalence of the concept of retirement among the farm population, especially as it has been influenced by social security. The usual pattern among most farmers has been to continue farming as long as possible with a gradual diminution in activities as physical energies declined rather than an abrupt change to complete retirement status. Few low-income farmers have been able to build up resources that would permit retirement. The alternative to continued working was to become dependent upon family or community. It might be expected that the extension of social security coverage to farm operators would have significant effect upon this pattern. The assurance of a retirement income would enable or encourage more operators to retire, or to retire earlier than had previously been true. This, in turn, would be expected to affect the time and method of disposal of land and other resources.

Operators and Landlords between 50 and 65 Years of Age

A series of questions were asked in order to explore the retirement plans, if any, of those approaching the generally accepted retirement age, i.e., those between 50 and 65 years of age. Thirty-one percent of the farm operator sample and 40 percent of the landlord sample fell within this age range.

Age at Retirement

When asked at what age, if any, they planned to retire, more than four in five in both samples said they did not intend to retire. Of the few who gave an age at which they expected to retire, nearly all mentioned the age of 65 years. The remainder, save one, gave an age between 60 and 65 years. No one mentioned an age beyond the popular figure of 65 years of age.

Social Security Inspired Planned Changes in Farming or Tenure Arrangements

Table 14 shows the response to the question of whether or not farm operators and landlords expected to make any changes in their farming operations, or in their agreements with sharecroppers and tenants, for purposes of qualifying for social security benefits. The majority of the respondents in both samples said that they did not plan to make any changes or they didn't know whether or not they would. The landlord sample had the largest proportion reporting no changes anticipated while the farm operator sample had the largest proportion reporting they didn't know. It is seen that very few affirmative responses were given. It is possible that further probing or a different approach would have elicited more proposed changes. In its present form the question may appear to some to request self-incriminating information. However, other questions indicate that little thought or planning has been given to retirement by these respondents, so it is unlikely that this effect was widespread.

Table 14. Changes planned in farming activities or tenure arrangements for purpose of qualifying for social security retirement benefits, farm operators and landlords between 50 and 65 years of age

Changes planned	Farm operator sample (N = 93)	Landlord sample (N = 41)
	Percent	Percent
No changes planned	64.5	78.0
Changes planned	6.4	7.3
Don't know	29.0	14.6
Total	99.9	99.9

The changes proposed by the landlords showed a concern with qualifying as "materially participating" landlords, but they didn't know specifically what changes would be needed. One said he was going to change from cash rent to "get a part of the crop."

The farm operators' changes were focused on what they might do after qualifying in order to increase their benefits rather than any changes

they might make beforehand. "Let someone else work the farm" and simply "retire" was the way they put it. One sharecropper said he was going to talk to his landlord about reporting his income.

Change of Residence After Retirement

The population in the retirement centers of Florida and elsewhere will not be swelled by the respondents of this study if their expectations are realized. Most of them expect to continue living within the same county, if not the same house, after they reach 65 years of age (Table 15). The farthest away any expect to move is to an adjacent county. Perhaps reflecting their insecure status as tenants or sharecroppers, a number of farm operators reported that they didn't know where they would be living after having reached 65 years of age. However, most of them, even those who didn't know where they would be living, expected to live in the open country on a farm. A significant number of the landlords were nonfarm residents at the time of the survey. These, and possibly additional others, expected to live in villages or small cities in the area.

Changes Expected After Retirement

About equal proportions of the farm operator sample and the landlord sample said they did not plan to make any changes when they reached the social security retirement age, but would continue working as usual (Table 16). A little more than half of them stated this. Most of the remainder of the landlords said they would reduce the amount of work they did but would not retire. This was the next largest response category for the farm operators also, but, in addition, a considerable number reported that they would give up working.

In general, the respondents had rather optimistic expectations concerning what their income would be when they began receiving social security payments. Only one-fifth of the farm operators and one-fourth of the landlords expected their income at that time to be less than their present income. About one in six of the farm operators expected their income to be greater. This was about twice the proportion of the landlords who had the same expectations. About one-third of the farm operators and one-fifth of the landlords said they didn't know whether their income would be larger or smaller.

Table 15. Residence plans of farm operators and landlords 50 to 65 years of age after reaching 65

Residence plans	Farm operator sample (N=93)	Landlord sample (N=41)
	Percent	Percent
<u>Expected location of residence</u>		
In the same house	64.5	90.2
Elsewhere in the same county	15.0	7.3
Adjacent county	3.2	0.0
Other county in North Carolina	0.0	0.0
Adjacent state	0.0	0.0
Other state	0.0	0.0
Foreign country	0.0	0.0
Don't know	17.2	2.4
Total	99.9	99.9
<u>Expected size of residential community</u>		
Open country, farm	87.1	61.0
Open country, nonfarm	2.2	9.8
Village or town under 2,500 in population	0.0	12.2
City 2,500-24,999 population	2.2	12.2
25,000-99,999	1.1	4.9
100,000 or more	0.0	0.0
Don't know	7.4	0.0
Total	100.0	100.1

Table 16. Working plans of farm operators and of landlords, 50 to 65 years of age, after reaching social security retirement age

Working plans	Farm operator sample (N=93)	Landlord sample (N=41)
	Percent	Percent
<u>No change contemplated</u>		
No change contemplated	54.8	51.2
Will give up working	11.8	4.9
Will change to another occupation	2.2	0.0
Will reduce amount of work	28.0	41.5
Other	3.2	2.4
Total	100.0	100.0

When asked what they planned to do with their land when they began to receive social security payments, the respondents again indicated that they expected to make few changes (Table 17). Most of those with land said they would continue as at present. Renting out all of their land except the residence ran a poor second in the number of responses.

Table 17. Plans farm operators and landlords, 50 to 65 years of age, have for their land when they begin to receive social security payments

Plans for land	Farm operator sample (N = 93)	Landlord sample (N = 41)
	<u>Percent</u>	<u>Percent</u>
Will continue as at present	29.0	68.3
Will rent out part of land	1.1	2.4
Will rent out all of land	0.0	2.4
Will rent out all except residence	7.5	7.3
Will give part to relatives	0.0	2.4
Will give all to relatives	2.2	2.4
Will let son farm the land	0.0	2.4
Other, including combination	1.1	7.3
Not a land owner	59.2	0.0
Nonparticipating landlord	0.0	4.9
Total	100.1	99.8

Operators and Landlords 65 Years of Age and Older

In an earlier section it was seen that approximately two-thirds of those 65 years of age or over in both the farm operator and landlord samples had qualified for social security retirement.

Farm operators first began qualifying for social security retirement benefits in 1956 (these early beneficiaries required only 6 quarters of coverage in order to qualify). One-fifth of the beneficiary respondents reported that they first qualified in 1956. An additional 37 percent reportedly qualified in 1957. In 1958 there were 33 percent who qualified, and in the first half of the following year, 1959, there were only 7 percent who qualified. It would appear that during the first

three years the backlog of potential beneficiaries (those of retirement age or beyond when self-employed farmers became eligible) was essentially taken care of so that new beneficiaries in future years will be largely confined to those reaching the required age during that year.

Less than one-seventh of the beneficiaries reported making any changes in their farming activities after qualifying for social security payments (Table 18). Most of those making changes stated that they had rented out all or part of their farms. Most of them, presumably, did this in order to reduce their taxable income. However, only two specifically gave this as the reason for making the change. Several gave the reason for renting as being because they were no longer able to work. Those reporting that they had retired, or had quit farming, also gave this as their reason. Apparently some elderly farmers had previously continued farming after becoming physically disabled because they had no alternative prior to becoming eligible for social security benefits. Otherwise, the social security influenced changes are not as frequent as might have been expected.

Table 18. Changes in farming activities after qualifying for social security payments

Change and reason for change	Beneficiary sample (N = 112)	Percent	Percent
No change		86.6	
Rented out farm		7.2	
Unable to work		2.7	
So net income would be under \$1,200		1.8	
No reason given		2.7	
Retired or quit farming		3.6	
Unable to work		3.6	
Stopped renting additional farm		0.9	
Reduce income		0.9	
Rented out tobacco land only		0.9	
Wanted something to do		0.9	

Uses Made of Social Security Income

The purchases that beneficiaries have been able to make and the things they have been able to do because of their social security income are shown in Table 19.

This income would appear to be of vital importance to most of the recipients. By far, the most frequently mentioned use made of these funds was for basic necessities such as food and clothing. Other items mentioned repeatedly included paying off debts and meeting medical expenses. Other uses made of these funds indicate that they enabled the beneficiaries to participate more fully in family and community affairs.

Table 19. Uses made of social security income by beneficiaries

Purpose for which used	Beneficiary sample (N = 112)	Percent reporting*
Necessities--food, clothing, etc.		41.1
Pay off debts		18.8
Medical supplies and/or expenses		16.1
General, nonspecific items		16.1
Home equipment and appliances		14.3
Security--freedom from money worries		8.9
Repairs--farm or home		7.1
Farm operations		7.1
Luxury or comfort items		3.6
Able to retire from work, rest		3.6
Pay for hired help		2.7
Education for children or grandchildren		1.8
Contribution to church		0.9
Do things for relatives		0.9
Buy tombstone		0.9
No response		0.9
None		11.6

*Percentages do not add to 100 as some respondents reported more than one use.

STATE OF HEALTH AND HEALTH INSURANCE COVERAGE

Good health is a basic social value. It is difficult to overestimate its importance in the well-being of individuals and of society. Medical science has developed the means for coping with most of the infectious diseases so that today our most pressing medical problems have shifted to the degenerative diseases generally associated with aging. With a rapidly increasing proportion of older people in the population, the significance of this is intensified.

Whether or not health insurance should be included as part of the social security benefits provided to beneficiaries is a current political question.

In this study we are concerned with the extent to which social security beneficiaries (in contrast to others of similar and different ages) have recently had major illnesses and accidents requiring hospitalization and the extent to which they are protected by health and accident insurance.

State of Health

The direct response of a layman to a question regarding his state of health is not apt to be too meaningful from a medical standpoint. What to one person may represent a serious debility to another may be thought to be of little consequence. The diagnosis of a medically trained person may differ markedly from either self-appraisal. Still, because of the subjective nature of a person's state of health, such a direct question has utility.

In response to the question "What is the general state of your health at present?" almost three-fourths of the beneficiaries said that it was fair or poor (Table 20). Only 3 percent said they were in excellent health. The respondents of similar age in the landlord sample seem to be in somewhat better health. The state of health improves markedly among the younger respondents.

The rate of hospitalization over the previous ten years does not seem to be related to either age or present state of health. The fact that the landlord sample has a rate approximately twice that of the farm operator

Table 20. General state of health and confinement in hospital of farm operator, landlord and beneficiary samples, by age, percent reporting

State of health	Farm operator sample			Landlord sample			Beneficiary sample	
	Age			Age			Age	
	Under 50 (N=180)	50-64 (N=93)	65 or over (N=8)	Under 50 (N=23)	50-64 (N=41)	65 or over (N=16)	65 or over (N=109)	Pct.
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.		Pct.
Poor	6.7	14.0	25.0	4.4	14.6	25.0		39.4
Fair	27.8	37.6	50.0	26.1	36.6	31.2		33.9
Good	50.0	43.0	25.0	39.1	41.5	43.8		22.9
Excellent	15.6	5.4	0.0	30.4	7.3	0.0		2.8
No response	0.0	0.0	0.0	0.0	0.0	0.0		0.9
Total	100.1	100.0	100.0	100.0	100.0	100.0		99.9
Average number of times confined to hospital during previous 10 years	0.61	0.51	0.62	1.00	1.24	1.25		0.68

Table 21. Partially or fully disabling illnesses or physical impairments of farm operator, landlord and beneficiary samples, by age, percent reporting

Type of illness or impairment	Farm operator sample			Landlord sample			Beneficiary sample	
	Age			Age			Age	
	Under 50 (N=180)	50-64 (N=93)	65 or over (N=8)	Under 50 (N=23)	50-64 (N=41)	65 or over (N=16)	65 or over (N=109)	Pct.
-----Percent reporting infirmity-----								
Diseases of circulatory system	5.6	10.8	12.5	0.0	22.0	25.0		27.5
Diseases of bones and organs of movement	4.4	11.8	12.5	4.4	7.3	6.2		22.9
Diseases of the digestive tract	3.9	6.4	12.5	4.4	7.3	0.0		7.3
Infirmity due to loss or impaired function of limbs, broken bones, etc.	3.3	5.4	0.0	4.4	0.0	6.2		6.4
General or nonspecific disability or infirmity incident to age	3.3	0.0	12.5	0.0	0.0	0.0		8.3
All others	11.7	4.3	12.5	4.4	4.9	25.0		22.0

sample would seem to indicate that there is a strong economic factor involved in the use made of hospital facilities. The beneficiary sample averaged a little higher than the farm operator sample.

Most of the partially or fully disabling illnesses or physical impairments reported have a relationship to age (Table 21). The incidence of most types of infirmities among the beneficiaries was as high as that among any of the other groups of respondents, if not higher. The most frequently reported illnesses were those related to the heart and other parts of the circulatory system. Incapacity due to the various forms of arthritis was also frequently mentioned.

Health and Accident Insurance

Approximately three-fifths of the landlord sample reported carrying hospital, surgical or medical insurance. In contrast, only slightly more than one-fourth of the farm operator and the beneficiary samples reported carrying this type of insurance. There was also considerable variation in the proportions of the various age groupings carrying insurance. In the farm operator sample those in the youngest and the oldest age categories had the largest proportion reporting no coverage (Table 22). In the landlord sample, those in the two younger age categories had a much lower proportion reporting no coverage than was true for those 65 years of age and over. The beneficiaries were very similar to the corresponding age groups in the other samples in terms of the proportion reporting no coverage.

Generally speaking, coverage on the basis of a family group plan is by far the most common basis reported. However, among the beneficiaries and the comparable age group in the landlord sample, the individual basis is more common. Some in the younger age categories reported coverage on an employee group or on a community group basis, but the proportions involved were not large.

The annual premium for health insurance varied from a low of \$22.00 to a high of \$384.00. The median premium (one half paying more and one-half paying less) was approximately \$75.00. The mean (average) was somewhat higher than this--\$86.24. Although the proportion covered by insurance was lower in the farm operator sample, their average premiums

Table 22. Health insurance coverage of farm operator, landlord and beneficiary samples, by age

Type of coverage	Farm operator sample			Landlord sample			Beneficiary sample
	Age			Age			Age
	Under 50 (N=180)	50-64 (N=93)	65 or over (N=8)	Under 50 (N=23)	50-64 (N=41)	65 or over (N=16)	65 or over (N=109)
	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.	Pct.
No coverage	75.0	68.8	75.0	30.4	34.1	75.0	72.5
Blue Cross and/or Blue Shield	9.4	12.9	---	34.8	29.3	6.2	7.3
Some other company	12.8	16.1	12.5	30.4	26.8	18.8	15.6
Name of company not reported	2.8	2.2	12.5	4.4	7.3	---	3.7
No answer	---	---	---	---	2.4	---	0.9
Total	100.0	100.0	100.0	100.0	99.9	100.0	100.0

Table 23. Reasons given by farm operator, landlord, and beneficiaries for not having health insurance, by age

Reasons given	Farm operator sample			Landlord sample			Beneficiary sample
	Age			Age			Age
	Under 50	50-64	65 or over	Under 50	50-64	65 or over	65 or over
-----Number reporting specific reason-----							
High cost	65	28	2	4	4	1	31
Lack of interest	10	3	1	1	2	2	6
Not qualified	2	5	2	-	1	2	12
Not needed	5	-	-	1	2	3	5
Don't believe in it	4	4	-	-	1	1	2
Coverage inadequate	6	5	-	-	1	-	2
No particular reason	7	6	-	-	1	-	4
Other reasons	11	5	-	-	1	2	8
Total	110	56	5	6	13	11	70

were higher. Their mean was \$92.60 per year while that of the landlord sample was \$82.90, and the beneficiary sample was \$76.06.

The most frequently reported reason given for not having any health insurance coverage was that it cost too much. This reason was especially associated with the younger respondents, but was also by far the most frequent reason given by the beneficiaries. Not qualified for such insurance, because of age or physical condition, was the next most frequently mentioned reason given by the respondents in the beneficiary sample (Table 23).

Income Protection Insurance

The possession of disability or accident insurance is largely associated with respondents in the lower age categories. Over half of the younger age group in the landlord sample report carrying this type of insurance. This contrasts with a little more than one-third of those in the 50-64 age grouping and only one-eighth of those 65 years of age or over. About one-fifth of the youngest group in the farm operator sample reported carrying income protection insurance. Somewhat fewer of those in the middle grouping and none of those in the oldest category indicated that they held such insurance. The responses from the beneficiary sample fit into this pattern. Only 11 percent of them carried insurance covering

ATTITUDE TOWARD THE CASI PROGRAM

No specific questions were asked in this study concerning how the respondents felt about the social security program. However, by indirection, some indication of what they know and how they feel about it may be obtained from their responses to other questions.

Numerous surveys have accustomed us to expect of the general public a rather low level of awareness of, and interest in, subjects of widespread importance. Conditioned to this level of expectation, it is, therefore, rather surprising the amount of understanding of the social security program that exists among the rural people in the Rocky Mount Social Security District. The operation of the program in detail is complex, so it would perhaps be expecting too much to anticipate widespread knowledge of what are, and what are not, covered earnings, whether or not one is fully and/or currently insured, and other details of the program. However, it would seem that most of the respondents were aware that self-employed farm operators are now covered by social security. This awareness increases as the respondent approaches 65 years of age. There are indications of some lack of awareness of the mandatory nature of participation.

There seems to be little awareness of, or at least appreciation for, the survivors and disability features of the program. To most respondents, it is thought of solely as a retirement program. To the person approaching the qualifying age it is of considerable importance, but to the younger person it is of little immediate significance. Although he may feel that it is "nice" that "the government" is taking care of the old folks in this way, his concern with the program for the time being is in keeping his tax payments to a minimum.

Many of the applicants for retirement payments are unable to follow the necessarily involved explanations of why they have qualified, and for how much, or, more especially, why they have not qualified. To them, whether one qualifies or not largely rests upon fate; the complexities of governmental regulations remain beyond comprehension.

APPENDIX I Additional Information

Level-of-Living Index

Points given
(25 to 62 possible)

1. Type of construction of house

Log or unpainted frame	1
Brick-like composition covering	2
Painted frame	3
Asbestos siding or shingles	4
Brick, stone, cinder block, stucco, etc.	5

2. Condition of house

Very poor	1
Poor	2
Fair	3
Good	4
Excellent	5

3. Persons per room

2.00 or more	1
1.50-1.99	2
1.00-1.49	3
Less than 1.00	4

4. Bathrooms in house

No	1
Yes	2

5. Separate dining room or space

No	1
Space only	2
Dining room	3

6. Separate living room

No	1
Yes	2

7. Set of living room furniture, including at least a sofa (divan, couch, or folding bed sofa) and a living room chair

No	1
Yes	2

8. Electricity or gas

Neither	1
Electricity and/or gas	2

9.	Running water pumped into house	1
	No	1
	Yes	2
10.	Electric or gas range	1
	No	1
	Yes	2
11.	Electric or gas refrigerator	1
	No	1
	Yes, without homefreeze unit	2
	Yes, with homefreeze unit	3
12.	Separate home freezer	1
	No	1
	Yes	2
13.	Electric or gas hot water heater	1
	No	1
	Yes	2
14.	Electric clothes washer	1
	No	1
	Yes, not automatic	2
	Yes, automatic	3
15.	Electric sewing machine	1
	No	1
	Yes	2
16.	Electric vacuum floor or rug cleaner	1
	No	1
	Yes	2
17.	Television set	1
	No	1
	Yes	2
18.	Kitchen sink	1
	No	1
	Yes	2
19.	Flush toilet	1
	No	1
	Yes	2
20.	Tub or shower bath	1
	No	1
	Yes	2

21.	Telephone	
	No	1
	Yes	2
22.	Radio	
	No	1
	Yes	2
23.	Automobile or truck	
	Neither	1
	Truck	2
	Automobile	3
	Both	4
24.	Method of heating house	
	Fireplace(s); wood, oil, or coal stoves	1
	Electric or gas stove; floor furnace(s); central heating system	2

STATE LIBRARY OF NORTH CAROLINA



3 3091 00748 1237

enodgalell .12
oh
sol

otbal .88
oh
sol

sound no solfamedia .45
maltell
dowT
e Indonesia
stof

sound waltz to horizon .45
avoja Loco inc. tfo Snow. ;(s)comlyear
((s)comlyear) waltz waltz edge no pizzicato
waltz waltz horizon

